



SB 468 - Income Tax - Local Child Tax Credit - Authorization
Senate Budget and Taxation Committee
February 18, 2026
SUPPORT

Chair Guzzone, Vice-Chair, and members of the committee thank you for the opportunity to submit testimony in support of Senate Bill 468. This bill would allow for local Child Tax Credits (CTC).

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Families that earn under \$15,000 face a wide variety of financial challenges that have negative impacts on themselves and their children. Children who live in deep poverty have a hard time succeeding in school, and their families have fewer resources to devote to educational programs, such as those that are before kindergarten. Families that live in deep poverty also have decreased access to health services. Health issues experienced at a young age can have effects that will follow children throughout adulthood. Unfortunately, some families will have to delay treatment or forego necessary intervention because they cannot afford the extra expense. In 2023, Maryland's General Assembly aimed to address these issues by passing the Family Prosperity Act, which established the state's first permanent CTC.

SB 468 would allow counties to have their own CTC. We know that the CTC is one of the most proven and effective policy tools we have for reducing child poverty and improving family economic stability. Research shows that child tax credits increase household income, reduce overall hardship, and improve long-term outcomes for children, including health, educational attainment, and future earnings. **When families have access to flexible cash support, they are better able to meet basic needs, manage emergencies, and invest in their children.**

Maryland's state CTC targets the lowest-income households. These households are the least likely to benefit from the federal CTC. Under recent federal changes enacted through HR 1, many families with very low incomes are left out of receiving the full federal credit or receive no benefit at all because the credit is not fully refundable. As a result, Maryland's current state credit plays a critical role in filling a gap for families who need support the most.

SB 468 builds on our state's foundation by giving counties the option to create a local CTC that complements the state credit. This bill creates an opportunity to get more cash directly in the pockets of families with young children and children with disabilities. By allowing counties to tailor a local credit to their communities, SB 468 provides local flexibility while reinforcing the state's commitment to reducing child poverty.

Thus, we encourage you to return a favorable report for SB 468.

Creating Assets, Savings and Hope